

MOD GRAMS
MINNESOTA

COMMITTEES:

BANKING, HOUSING, AND URBAN AFFAIRS

ENERGY AND NATURAL RESOURCES

FOREIGN RELATIONS

JOINT ECONOMIC

June 4, 1996

United States Senate

WASHINGTON, DC 20510

WASHINGTON OFFICE:

PH. 202-224-3244
FAX 202-228-0956

INTERNET: MAIL_GRAMS@GRAMS.SENATE

MINNESOTA OFFICE:

2013 SECOND AVENUE NORTH
ANOKA, MN 55303
PH. 612-427-5921
FAX 612-427-5572

Mr. Clinton Crackel
1512 Park Street #6
White Bear Lake, MN 55110-3769

Dear Mr. Crackel:

Having received your comments in the past regarding efforts to eliminate wasteful government spending, I wanted to update you on my recent efforts to abolish the Department of Energy (DOE).

As a member of the Task Force on the Elimination of Government Agencies, I have been actively involved in efforts to eliminate four of the 14 cabinet-level agencies. In particular, I have focused on initiatives aimed at the DOE and introduced this legislation (S. 1678) on April 16th.

Over the last year, this task force has focused on proposals to streamline programs and eliminate unnecessary federal agencies. Down-sizing the federal government is not a new concept. It has been embraced by Democrats and Republicans, alike. Vice President Gore has been acting in this area through his "Reinventing Government" proposal. However, the Vice President's proposal fails to achieve the one key goal: reduce the bureaucracy.

The DOE is a prime example of a bureaucracy searching for a mission and wasting taxpayer dollars in the process. As a member of the Senate Energy & Natural Resources Committee, I have been increasingly disturbed by the fact that over 85% of the DOE budget is expended upon non-energy related initiatives. Of the energy related programs DOE is charged with, they have failed to meet their mission goals. Nuclear waste disposal, for example, has resulted in DOE receiving over \$4 billion of ratepayer's funds and Minnesota is still faced with its storage dilemma after 16 years. This is wasteful.

In a General Accounting Office Report last summer, technical experts agreed that some programs would be better off being transferred to alternative federal department, while other programs would benefit by maximizing privatization initiatives. Overall, we all benefit, as taxpayers and consumers, through the elimination of a top heavy bureaucracy and a re-emphasis on market forces.

Page 2
June 4, 1996

Over the past year and a half, I have appreciated having the benefit of your input on initiatives aimed at eliminating wasteful spending. It has been particularly helpful as Congress has struggled to achieve a balanced budget and begun to identify a plan for eliminating our \$5 trillion national debt. With a Senate hearing scheduled for July 23rd on the DOE Abolishment Act, I would appreciate any thoughts you would be willing to share on this issue. I would like to make the concerns of Minnesotans part of the hearing record on this issue.

As always, please feel free to contact me or Kimberly Lichy or my Anoka staff if you have any questions. I believe we can make the federal government more efficient and save more taxpayer dollars if we work together in the process.

Sincerely,

A handwritten signature in dark ink, appearing to be 'R Grams', written over a horizontal line.

Rod Grams
United States Senator

RG:kl
Enclosure

THE DEPARTMENT OF ENERGY ABOLISHMENT ACT OF 1996

Introduced by U.S. Senator Rod Grams

SUMMARY OF LEGISLATION

TITLE I

CREATE RESOLUTION AGENCY

- Eliminates Cabinet-level status of Department of Energy
- Replaces with a Resolution Agency with three-year authorization
- Understanding the Resolution Agency's sole purpose is to oversee dismantlement of DOE and ensure smooth transition.

FEDERAL ENERGY REGULATORY COMMISSION

- Spin off to become an independent agency

ENERGY REGULATORY ADMINISTRATION

- Transfers pending cases to DoJ for resolution within one year
- DoJ is instructed to utilize Alternative Dispute Resolution whenever possible

ENERGY INFORMATION ADMINISTRATION

- Transfer to Interior for DOI Secretary to determine which functions are essential.

BASIC SCIENCE AND CIVILIAN ENERGY RESEARCH FUNCTIONS

- With exception of those duties being conducted by DOE labs, these functions and programs are immediately transferred to the Department of the Interior
- Upon review by Secretary of DOI, those functions deemed to be basic science research are transferred to the National Science Foundation and reviewed by the Lab Commission. Recommendations will be included in the lab report to Congress
- For those functions that are more commercial in nature, the DOI secretary will submit a recommendation for permanent disposition of functions within one year

TITLE II

LABORATORY STRUCTURE

- Immediately transfer defense labs (Sandia, Los Alamos, Lawrence Livermore) to DoD
- With the assumption that remaining labs are to be closed, the balance of Labs are studied by a "Non-Defense Energy Laboratory Commission"
- Commission can recommend restructuring, privatization, or transfer to DoD* as alternatives to closure. (**If transfer to DoD is recommended, priority is on transferring duties and closure of labs, rather than merely transferring oversight)
- Congress has fast-track authority to adopt commission recommendations

TITLE III

POWER MARKETING ADMINISTRATIONS

- Remaining PMAs (BPA, SWAPA, SEPA, WAPA) are transferred immediately to the Army Corps of Engineers
- GAO is instructed to conduct an inventory of assets, liabilities, etc., and for one year, study options for PMAs

TITLE IV

STRATEGIC PETROLEUM RESERVES

- Transfer reserves to DoD
- GAO conducts study to determine cost of maintaining versus cost to rebuild reserves
- Based upon GAO recommendations, DoD has discretion of amount to maintain or sell

NAVAL PETROLEUM RESERVE

- Sell as soon as possible within three-year span
- If necessary, transfer to DOI at end of the three years to oversee balance of sale

TITLE V & VI

NATIONAL SECURITY AND ENVIRONMENTAL RESTORATION & MANAGEMENT ACTIVITIES

- Removes all Defense-related activities and places them in DoD under new civilian controlled agency (Defense Nuclear Programs Agency) including:
 - defense programs (weapons development and national security)
 - arms control and nonproliferation activities
 - environmental restoration and waste management at former DOD facilities (i.e. Hanford, Rocky Flats)

TITLE VII

CIVILIAN NUCLEAR WASTE

- Program is transferred to the U.S. Army Corps of Engineers
- Activities continue on site characterization at Yucca Mountain
- Area 25 of the Nevada Test Site is named as interim storage site
- GAO is directed to study options for privatization of activities

TITLE VIII

MISCELLANEOUS PROVISIONS

- Uranium Enrichment Corporation is privatized (NOTE: independent legislation is currently pending before Congress)